



Agenda Report

Fullerton City Council

MEETING DATE: DECEMBER 2, 2025

TO: CITY COUNCIL

SUBMITTED BY: DAISY PEREZ, DEPUTY CITY MANAGER

PREPARED BY: EDGAR ROSALES, SENIOR ADMINISTRATIVE ANALYST
RACHEL CASTANON, ADMINISTRATIVE ANALYST

SUBJECT: LEASE AMENDMENTS WITH SUMMIT HOUSE
RESTAURANT COMPANY FOR SUMMIT HOUSE
RESTAURANT AND VISTA PARK GAZEBO

SUMMARY

The City of Fullerton leases the Summit House Restaurant and Vista Park Gazebo to the Summit House Restaurant Company, which pays rent and a percentage of gross receipts. The tenant requests extending optional extensions for both agreements until 2061 and agreed to increase the percentage of gross receipts paid to the City.

PROPOSED MOTION

Authorize City Manager, or designee, to execute and administer Amendment No. 2 to the Summit House Lease and Amendment No. 1 to the Vista Park Administrative Agreement and all related documents to extend both agreements through 2061 and increase the gross-receipt percentage paid to the City, in a form approved by the City Attorney.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Continue to negotiate with Summit House restaurant for a new agreement
- Decline the amendments and extensions to the agreement
- Provide alternate direction to staff
- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

None.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Infrastructure and City Assets.

FISCAL IMPACT

The City receives a \$12,500 monthly base rent from the Summit House Restaurant, in addition to six percent of gross receipts paid quarterly. The City receives \$5,000 monthly base rent for Vista Park Gazebo. Staff estimates revenue received under the lease in FY 2024-25 totaled approximately \$723,000. The tenant remains responsible for all operating expenses associated with the restaurant, including utilities.

Amendment No. 2 to the Agreement to Lease the Summit House Restaurant would increase the percentage rent from six percent to seven percent of gross receipts beginning in 2041, at the start of the fourth optional extension period. Staff expects this increase to enhance annual City revenue based on projected gross receipts.

Amendment No. 1 to the Vista Park Administration Agreement establishes a three percent annual rent escalation beginning in 2036 for Vista Park Gazebo and surrounding seating areas use. This escalation would continue for each extension period exercised under the agreement.

Staff anticipates these amendments would generate a minimum \$250,000 additional annual revenue once all amendment terms become effective, based on current projections.

Fiscal Year	Summit House Rent	Vista Park Gazebo	Total Revenue
2022	\$619,963.81	\$60,000	\$679,963.81
2023	\$726,345.12	\$60,000	\$786,345.12
2024	\$643,043.17	\$60,000	\$703,043.17
2025 (estimate)	\$663,07.34	\$60,000	\$723,072.34
2041 Projected	\$900,000.00	\$83,468	\$983,468.00

BACKGROUND AND DISCUSSION

The Summit House Restaurant and Vista Park Gazebo are long-standing, signature assets in the City of Fullerton. The manor-style restaurant perched atop a scenic hill in Vista Park is renowned for its upscale dining experience. The Summit House offers daily dining and serves as a premier venue for corporate events and private celebrations, hosting approximately 25 weddings each year. The adjacent Vista Park Gazebo provides a picturesque ceremonial space for couples celebrating on-site. The scenic restaurant location and reputation as an event venue have made it a highly

successful operation, contributing to the local economy and supporting community recreational and cultural offerings.

The Summit Restaurant Company has operated the Summit House Restaurant and the Vista Park Gazebo under long-standing agreements with the City, originally executed in 1989 (restaurant lease) and 2006 (gazebo administration agreement). The tenant pays monthly rent and a percentage of gross receipts for the restaurant and separate rent for gazebo and surrounding seating areas use.

The Summit House Restaurant Company requests extending both the lease and the administration agreements, including optional extension periods for both parties, through 2061. In exchange, the tenant agreed to increase the percentage of gross receipts paid to the City, ensuring continued revenue while providing long-term operational stability and supporting community events.

Summary of Proposed Amendments

Amendment #2 – Summit House Lease

- Extends optional lease periods through 2061
- Increases percentage rent from 6% to 7% beginning in 2041
- Removes outdated operational language to reflect current business practices.

Amendment #1 – Vista Park Administration Agreement

- Adds five additional five-year extension periods
- Implements 3% annual rent increases at each extension beginning in 2036.

Approving the proposed amendments would extend the longstanding City partnership with the Summit House Restaurant and ensure continued reinvestment in the facility - supporting future improvement projects and preparing for the next generation of restaurant management.

Attachments:

- Attachment 1 – Amendment #2 to Agreement to Lease Summit House Restaurant
- Attachment 2 – Summit House Restaurant Lease and Amendment #1
- Attachment 3 – Amendment #1 to Vista Park Administrative Agreement
- Attachment 4 – Vista Park Administrative Agreement

cc: Interim City Manager Eddie Manfro